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CONFORM &
RETURN

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COURT PLED
Superior Court of California
County of Los Angeles

JUN 25 2018

Sherrill R. Carter, Executive Officer/Clerk
By: Stacey Watson, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES – WEST DISTRICT

KOSSORIS SEARCH, INC.,

Plaintiff,

v.

KATTEN MUCHIN ROSENMAN
LLP, a limited liability partnership, and
DOES 1 through 10, inclusive,

Defendants.

Case No.: SC 129472

COMPLAINT FOR:

- 1) BREACH OF CONTRACT;
- 2) PROMISSORY ESTOPPEL; and
- 3) QUANTUM MERUIT

JURY TRIAL DEMANDED

CASE MANAGEMENT CONFERENCE

JAN 07 2019

LISA HART COLE

Date

8:30 AM
Dept. O

1 Plaintiff Kossoris Search, Inc. ("Kossoris Search"), by its undersigned
2 counsel, hereby brings this action against defendants Katten Muchin Rosenman LLP
3 ("Katten") and Does 1 through 10, inclusive (collectively, "the Defendants"), and
4 alleges as follows:

5 INTRODUCTION

6 1. Kossoris Search is a legal recruiting firm that matches law firms with
7 talented, partner-level attorneys. As part of this process, Kossoris Search expends
8 substantial time and resources developing a deep understanding of both hiring law
9 firms and candidate attorneys. Successfully-placed candidates bring significant
10 value to client law firms in the form of new business, practice areas, and branches.
11 Thus, legal recruiters, such as Kossoris Search, provide an invaluable service by
12 identifying candidates and firms that are good fits for each other. Placement fees in
13 the industry commonly range from 25 to 35 percent of a candidate's first year's
14 salary.

15 2. In August 2015, Katten, an international law firm, enlisted the services
16 of Kossoris Search to find candidates for the firm in Dallas, Texas. Katten promised
17 that, if it hired the candidates identified by Kossoris Search, it would pay an
18 unconditional placement fee, with "no exceptions." Pursuant to this agreement,
19 Kossoris Search provided Katten the identity of a group of high-level partners in
20 Dallas. Kossoris Search was very familiar with this partner group, and believed they
21 would fit well at Katten. Thus, it was unsurprising when, in February 2018, Katten
22 announced that it had hired seven partners from this Dallas group.

23 3. Unfortunately, notwithstanding Kossoris Search's efforts in facilitating
24 these hirings, Katten refused to pay Kossoris Search its unconditional placement fee,
25 in violation of the parties' agreement. As a result of Katten's actions, Kossoris
26 Search has suffered substantial damages, and therefore brings this lawsuit for breach
27 of contract, promissory estoppel, and unjust enrichment.

PARTIES

4. Plaintiff Kossoris Search is a corporation organized and existing under the laws of the State of California and does business in California. Kossoris Search specializes in the legal placement industry. Amy Kossoris ("Ms. Kossoris") is Kossoris Search's Chief Executive Officer.

5. Defendant Katten is a limited liability partnership offering legal services around the world. Katten is organized under the laws of the State of Illinois, with partners in: Austin, Texas; Charlotte, North Carolina; Chicago, Illinois; Dallas, Texas; Houston, Texas; Irving, Texas; Los Angeles, California; New York, New York; Irvine, California; San Francisco, California; and Washington, D.C. Katten also has partners in Shanghai, People's Republic of China, and in London, England, through its affiliated partnership, Katten Muchin Rosenman UK LLP.

6. Kossoris Search is unaware of the names and precise capacities of the defendants listed in the complaint as Does 1 through 10, and lacks knowledge of specific acts giving rise to causes of action against Does 1 through 10. Therefore, Kossoris Search sues each of them by a fictitious name. Kossoris Search is informed and believes, and thereon alleges, that each Doe defendant is an attorney, agent, officer, partner, or co-conspirator of Katten, and is responsible in some manner for the acts and omissions alleged in this complaint. Kossoris Search will seek leave to amend this complaint when the precise identity, name, capacity, and basis for imposing liability against any Doe defendant is ascertained.

JURISDICTION AND VENUE

7. The Court has jurisdiction over this matter under California Code of Civil Procedure sections 88 and 410.10, because the acts and omissions that are the subject of this action occurred in Los Angeles, California, and the amount in controversy exceeds \$25,000. Further, the Court has personal jurisdiction over the Defendants because they are, or were at all relevant times, California residents or transacted business in California, and caused harm to Kossoris Search in California.

8. Venue is proper in this Court because the causes of action arose in Los Angeles, California, and all parties currently reside or transact business in Los Angeles. Code Civ. Proc., §§ 395, subd. (a), 395.5.

FACTS

9. Ms. Kossoris operates a highly successful legal search and placement firm, Kossoris Search. Legal search and placement professionals, such as Ms. Kossoris, are commonly referred to as "legal recruiters." Rather than earning an hourly wage, legal recruiters are paid a commission (or "placement fee") following the successful placement of a lawyer "candidate" at a law firm "client."

10. To facilitate these placements, a legal recruiter invests many hours developing and maintaining relationships with clients and their decisionmakers. These relationships are invaluable because they allow a legal recruiter to understand the structure of a client firm, its expansion goals, and hiring needs.

11. Legal recruiters also spend a great deal of time and resources developing relationships with candidates. These relationships provide insight into a candidate's background, experience, and career goals, and help a recruiter determine if he or she would be a good fit at a particular firm.

12. A recruiter's groundwork and relationship building is essential to successfully matching candidates with clients. Thus, the time spent forming relationships and learning about clients and candidates does not go "unpaid." Instead, the value of this time is built into the compensation paid to a legal recruiter when her connections and efforts lead to a successful hiring. Although a legal recruiter typically receives a sizeable amount of money at the culmination of a placement, she also assumes substantial risk, since she will not be paid at all unless and until she successfully places a candidate.

13. The client pays a legal recruiter's placement fee when it finalizes the hiring of a candidate that the recruiter referred to the firm. In the legal placement industry, this fee typically ranges from 25 to 35 percent of the candidate's total first

1 year annual compensation by the client.

2 14. A legal recruiter may also facilitate a client's acquisition of an entire
3 team of lawyers. In such a case, the recruiter's placement fee is typically calculated
4 as a percentage of the total first year annual compensation of the lawyers in the
5 acquired team.

6 15. Ms. Kossoris has over 15 years of legal recruiting experience and has
7 successfully placed thousands of candidates with law firm clients. Kossoris Search
8 is a highly respected member of the legal placement industry in California.

9 16. In 2015, Ms. Kossoris, on behalf of Kossoris Search, began working
10 with Mark Solomon ("Mr. Solomon"), a candidate who, at the time, was a partner
11 with Andrews Kurth Kenyon LLP in Dallas, Texas. Mr. Solomon asked Ms.
12 Kossoris to present him with firms that were interested in starting a Dallas office,
13 and provided Ms. Kossoris with specific details concerning his practice, clients, and
14 background.

15 17. On August 14, 2015, Ms. Kossoris informed Vincent A.F. Sergi ("Mr.
16 Sergi"), Katten's then-Chairman, and Mark Grossman, Katten's global head of
17 corporate practice and a member of the firm's Board of Directors, that she was
18 "working with a small partner group with \$20 million in business" in the Dallas area
19 ("the Dallas partner group"). *See Ex. A.* Ms. Kossoris stated that the Dallas partner
20 group had billable rates at "just under \$1000 per hour" and asked if Katten was
21 interested in opening a Dallas office. *Id.* Mr. Sergi quickly responded that he would
22 call Ms. Kossoris that afternoon. *Id.*

23 18. Following this email exchange, Mr. Sergi and Ms. Kossoris spoke over
24 the phone regarding Katten's interest in opening a Dallas office. During the
25 conversation, the parties agreed that:

26 a. Ms. Kossoris, on behalf of Kossoris Search, would provide
27 Katten with the identity of the Dallas partner group
28 without seeking the group's approval; and

b. In consideration, Katten would pay Kossoris Search an unconditional placement fee in the event Katten hired the Dallas partner group—with “no exception.”

19. On August 16, 2015, Ms. Kossoris emailed Mr. Sergi to confirm the parties' agreement (the "2015 Agreement"). *See* Ex. B at 1. Ms. Kossoris outlined the 2015 Agreement's general terms, and acknowledged that both parties were "making an exception" to their standard terms in entering the agreement. *Id.* Mr. Sergi confirmed Katten's assent to the 2015 Agreement that same day. *Id.*

20. On August 16, 2015, while justifiably relying on the 2015 Agreement, Ms. Kossoris provided Katten with the identity of the Dallas partner group. *See* Ex. C. The group included several partners from Andrews Kurth Kenyon LLP, led by Mr. Solomon. *Id.* at 2–5. Katten did not indicate that it had any pre-existing relationships with Mr. Solomon or any other members of the Dallas partner group.

21. Several days later, Ms. Kossoris, at Katten's invitation, met Mr. Sergi in Chicago to discuss and strategize Katten's recruitment of the Dallas partner group. *See* Ex. D at 1–2. Following this meeting, Katten arranged for Ms. Kossoris to work with Katten's Lateral Recruiting Manager, Pamela Masters ("Ms. Masters"), on a document formally confirming the 2015 Agreement. *Id.* at 1. Over the next several weeks, Ms. Kossoris and Ms. Masters exchanged draft documents. *See* Ex. E at 2–9. During these exchanges, Ms. Masters assured Ms. Kossoris that the parties would memorialize their agreement in a formal document. *Id.* at 6, 8.

22. Nevertheless, on September 17, 2015, prior to finalizing the document, Katten unilaterally terminated its discussions with Ms. Kossoris and Kossoris Search. *Id.* at 1. Despite Katten’s prior assent to the 2015 Agreement, Ms. Masters wrongly claimed that the parties “couldn’t reach an agreement on terms.” *Id.* Ms. Masters further stated that “[i]n light of our failure to ratify a fee agreement, as well the emails you erroneously sent purporting to represent us, we’d prefer to work with other recruiters moving forward.” *Id.* Ms. Kossoris categorically denied Ms.

1 Masters' statements and stated her expectation that the 2015 Agreement would be
2 honored. *Id.*

3 23. Following this exchange, Katten and the Dallas partner group refused
4 to have any contact with Ms. Kossoris or Kossoris Search regarding the Dallas
5 partner group's recruitment; however, Katten obviously proceeded to explore the
6 transaction and eventually consummate it.

7 24. Notwithstanding the above, in 2017, Kossoris Search and Katten
8 resumed their working relationship, and executed a new Search Firm Agreement
9 ("the 2017 Agreement"). *See Ex. F.* The 2017 Agreement governed all attorney
10 placements by Kossoris Search "[c]ommencing on [September 29, 2017], and
11 continuing throughout the duration of th[e] agreement." *Id.* at 1. Thus, the parties
12 made clear that the 2017 Agreement applied to Kossoris Search's attorney placement
13 work going forward. Further, the 2017 Agreement did not mention or modify the
14 2015 Agreement, which was specific to Kossoris Search's work with the Dallas
15 partner group and unique in its terms. *Id.* at 1-4.

16 25. On February 5, 2018, Katten announced that it had hired seven new
17 partners to launch the firm's Dallas office. *Ex. G* at 1. Katten's press release stated
18 that "[t]he new partners, all previously with Andrews Kurth Kenyon LLP in Dallas,
19 include[d] corporate attorney Mark S. Solomon" and six others. *Id.* Thus, as a direct
20 and proximate result of the 2015 Agreement and Kossoris Search's hard work on
21 Katten's behalf, the firm hired the Dallas partner group.

22 26. Katten's Chairman, Roger P. Furey, touted the hiring of the Dallas
23 partner group, stating: "This is an extraordinary group of attorneys whose extensive
24 skills, leadership and experience are an ideal fit for our highly regarded transactional
25 capabilities and well-established culture of business-mindedness." *Ex. G* at 1.

26 27. Mr. Furey further stated that:

27 28 We intend to build around our new partners and do some exciting things
 in Dallas. With our lawyers in Houston and other offices we were

1 already the go-to firm for clients in Texas and elsewhere with major
2 Environmental and Workplace Safety needs.
3

4 Now, as we build upon this group of exceptional lawyers with deep ties
5 in the Dallas business and legal communities, and with the support of
6 Katten's premier national practices in finance, financial services and
7 private equity, we will be able to service the growing legal needs of the
8 North Texas business community and our clients doing business there.
9

10 Ex. G at 1 (internal quotations omitted).
11

12 28. Yet, despite Kossoris Search's efforts in identifying the Dallas partner
13 group – and Katten's ultimate hiring of the group – Katten failed to fulfill its
14 obligations under the 2015 Agreement.
15

16 29. To date, Katten has not paid Kossoris Search's unconditional placement
17 fee, despite Kossoris Search's demand to do so.
18

19 FIRST CAUSE OF ACTION – BREACH OF CONTRACT

20 (Against All Defendants)
21

22 30. The allegations contained in Paragraphs 1–29 are incorporated by
23 reference as if fully set forth herein.
24

25 31. The 2015 Agreement was a valid and binding contract, which provided
26 that: (a) Ms. Kossoris, on behalf of Kossoris Search, would provide Katten with the
27 identity of the Dallas partner group without the group's approval; and (b) in
28 consideration of this information, Katten would pay Kossoris Search an
unconditional placement fee in the event Katten hired members of the Dallas partner
group, with "no exception."

32. Pursuant to the 2015 Agreement, Ms. Kossoris, on behalf of Kossoris
Search, provided Katten with the identity of the Dallas partner group. Katten later
hired Mr. Solomon and others from the Dallas partner group.
33.

Katten materially breached the 2015 Agreement by failing to pay the
unconditional placement fee due and payable to Kossoris Search under the terms of
the 2015 Agreement.

34. As a direct and proximate result of Katten's breach, Kossoris Search has sustained significant damages in excess of \$25,000.

WHEREFORE, Kossoris Search requests that this Honorable Court enter judgment in its favor and against Defendants for compensatory and consequential damages, pre- and post-judgment interest, costs, and such other relief as this Honorable Court deems just and proper.

SECOND CAUSE OF ACTION – PROMISSORY ESTOPPEL (IN THE
ALTERNATIVE TO THE FIRST CAUSE OF ACTION)

(Against All Defendants)

35. The allegations contained in Paragraphs 1-29 are incorporated by reference as if fully set forth herein.

36. On August 16, 2015, Katten unequivocally promised Kossoris Search that, if Kossoris Search provided the identity of the Dallas partner group, and Katten ultimately hired members of the group, then Katten would pay Kossoris Search an unconditional placement fee, with “no exception.”

37. Katten knew or should have reasonably expected that Kossoris Search would rely on Katten's clear promise to pay an unconditional placement fee and thus disclose the Dallas partner group's identity.

38. To its substantial detriment, Kossoris Search did, in fact, reasonably rely upon Katten's promise when, on August 16, 2015, Ms. Kossoris provided Katten with the identity of the Dallas partner group.

39. Katten failed to fulfill its promise to Kossoris Search when it refused to pay Kossoris Search's unconditional placement fee upon its hiring of Mr. Solomon and others from the Dallas partner group.

40. As a direct and proximate result of Katten's failure to fulfill its promise, Kossoris Search has suffered significant damages.

WHEREFORE, Kossoris Search requests that this Honorable Court enter judgment in its favor and against Defendants for compensatory and consequential

1 damages, pre- and post-judgment interest, costs, and such other relief as this
2 Honorable Court deems just and proper.

3 **THIRD CAUSE OF ACTION – QUANTUM MERUIT (IN THE**
4 **ALTERNATIVE TO THE FIRST CAUSE OF ACTION)**

5 (Against All Defendants)

6 41. The allegations contained in Paragraphs 1–29 are incorporated by
7 reference as if fully set forth herein.

8 42. On August 16, 2015, at Katten’s request, Kossoris Search provided
9 Katten with valuable professional services by disclosing the identity of the Dallas
10 partner group.

11 43. Katten ultimately hired Mr. Solomon and others from the Dallas partner
12 group, which it touted as “an extraordinary group of attorneys whose extensive
13 skills, leadership and experience are an ideal fit for [Katten’s] highly regarded
14 transactional capabilities and well-established culture of business-mindedness.”

15 44. Kossoris Search’s identification and disclosure of the Dallas partner
16 group, which led to the group’s hiring, has substantial value in the legal placement
17 industry.

18 45. In addition to introducing Katten to the Dallas partner group, Kossoris
19 Search expended significant time and resources in developing the necessary
20 relationships for this placement. Ms. Kossoris also provided Katten with consulting
21 services aimed at the recruitment of the Dallas partner group. Yet, despite her
22 efforts, Katten unilaterally and unfairly retained the fruits of Kossoris Search’s labor
23 without payment. Thus, Katten has been unjustly enriched at the expense of
24 Kossoris Search.

25 WHEREFORE, Kossoris Search requests that this Honorable Court enter
26 judgment in its favor and against Defendants for the reasonable value of Kossoris
27 Search’s services, pre- and post-judgment interest, costs, and such other relief as this
28 Honorable Court deems just and proper.

1 Dated: June 20, 2018

Respectfully submitted,

2
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21 ***Not Admitted in California – Will
Seek Admission Pro Hac Vice***

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